

tomorrow's scholar
College Savings Plan

June 30, 2008 – Annual Report

***tomorrow's scholar*[®] Management's Discussion and Analysis**

This section presents management's discussion and analysis of the *tomorrow's scholar*[®] college savings plan's (Plan's) financial performance and provides an overview of the Plan's financial activities for the Fiscal Year ended June 30, 2008. It is intended to be a narrative supplement to the Plan's financial statements, which begin on page 7 of this report.

Financial Highlights

The following financial highlights occurred during the Fiscal Year ended June 30, 2008 versus Fiscal Year 2007:

- Net assets of all Plan portfolios decreased by \$49.3 million.
- Fiscal Year 2008 saw gross contributions of \$284.9 million, an increase of 6.1%.
- Net investment loss (net change in fair value, plus investment earnings, less investment-related expenses) were (\$46.3) million.
- Administrative expenses increased by 2.3% compared to Fiscal Year 2007. This increase is largely attributable to increased Plan Administration and Distribution Fees on Class A and Class C shares.

Using this Financial Report

This financial report consists of two financial statements. The Statement of Plan Net Assets and Statement of Changes in Plan Net Assets (pages 7-8) provide information about the activities of the Plan and the 7 portfolios managed.

Analysis of Net Assets

The Plan is a qualified tuition program under Section 529 of the U.S. Internal Revenue Code of 1986, designed as a savings vehicle for qualified higher education expenses. The cost of such programs include distributions requested by account owners to pay for qualified higher education expenses, rollovers and other distributions requested by account owners, and the cost of administering the Plan. Net assets in the Plan decreased by \$49.3 million during the last fiscal year. Fiscal Year 2008's negative average returns for 17 of the 20 portfolio share classes and net withdrawals (Direct Contributions less Direct Withdrawals) of \$1.6 million are the primary reasons for this year's decline in total plan net assets.

Participant gross contributions were \$16.5 million more than in 2007, an increase of 6.1%. However, net contributions were significantly lower compared to the previous year, as the Plan saw a 12.9% increase in withdrawals. Because participants hold all responsibility for tax-reporting related to withdrawals, the Plan does not track whether withdrawals are for qualified or non-qualified expenses.

Total administrative expenses increased by 2.3%, primarily due to increased Plan Administration and Distribution Fees on Class A and Class C shares.

Analysis of Investment Performance

In a volatile 12-month period that saw significant declines in equities, only certain conservative portfolios that were primarily invested in fixed-income securities delivered positive returns. The best returns were delivered by Class C shares of the *tomorrow's scholar* Ultra-Conservative Portfolio, which gained 1.89% for the 12-month period that ended on June 30, 2008. The weakest returns were delivered by Class B shares of the *tomorrow's scholar* Aggressive Growth Portfolio, which declined 11.08% over the same period. (See Table 1 on the following pages for details.) Overall, each portfolio's performance was driven by its allocation to fixed-income securities. This trend reflected a volatile market environment that favored conservative investments over equities.

What market conditions, market events, and other factors affected the portfolios' performance?

During the 12-month period that ended June 30, 2008, the U.S. economy faced challenges on three significant fronts: rising costs, a deepening housing slump, and a credit crisis. Consumers were squeezed by higher prices for energy, transportation, and food, particularly in the first six months of 2008. Consumer prices rose at an annual rate of 5.5% for the first half of 2008, compared with an increase of 4.1% for all of 2007. The housing crisis began when prices of new and existing homes fell, which affected subprime borrowers who struggled to make their mortgage payments as easy access to credit all but disappeared. The continued price correction began to affect even prime borrowers, many of

whom could not pay off their full mortgage balances by selling their homes. Housing market woes also had a ripple effect as financial markets began to assess the full impact of the mortgage loans that had been packaged and sold both in the United States and abroad. The rapid collapse of investment bank Bear Stearns, due to high write-offs in its mortgage-related assets, highlighted some of the more significant risks within the market.

The Fed responded to the challenges in several ways. After keeping the federal funds rate at 5.25% from June 2006 until early September 2007, the Fed began to ease credit at its policy meeting on September 18, 2007. By April 30, 2008, the Fed had reduced the targeted federal funds rate to 2.00%. During the period, the Fed also lowered the discount rate from 6.25% to 2.25%. In addition, the Fed agreed to make the discount window available to nonbank dealers and to lend to banks for longer-than-normal periods to help ease some of the constraints on liquidity.

Both domestic and international equities posted losses for the period. The S&P 500 Index declined 13.12%, while the MSCI EAFE Index declined by 10.61%. Financial stocks were especially hard hit as banks and brokerages continued to struggle with lower values for mortgage loans and for mortgage-related assets. In general, growth stocks posted smaller losses than value stocks. One of the few stock indices to end with a positive return was the MSCI Emerging Markets Index, which gained 4.89%.

Fixed-income investments, particularly U.S. Treasuries, posted far better returns as investors sought relative safety from the market turmoil. The Lehman Brothers U.S. Aggregate Index ended the period with a 7.12% return. However, by the second quarter of 2008, even bonds provided little cushion against the stock market's continued sell-off, succumbing to credit strains and volatile interest rates. During the three-month period from April 1, 2008, to June 30, 2008, the Lehman Brothers U.S. Aggregate Index lost 1.02%, its only quarterly loss during the reporting period.

What investment strategies and techniques affected the portfolios' performance?

All of the portfolios available in the Plan offer a level of diversification and seek to manage risk while pursuing total return. The broad range of portfolios available allows investors to allocate assets in a way that is consistent with their child's age and their own tolerance for risk. They can choose from a range of portfolios that are conservative, moderate, or aggressive. For this reason, we do not make short-term shifts in the funds that make up each of the portfolios or short-term changes to the portfolios' asset allocations (percentages of stocks, bonds, and cash equivalents).

As noted earlier, only certain conservative portfolios that were primarily invested in fixed-income securities delivered positive returns over the 12-month period. Although stocks have historically delivered stronger investment returns than bonds or cash, the volatility inherent in equity investing makes diversification prudent as a means to help manage risk. The stock funds that are included in these portfolios bridge a variety of styles, including growth and value. Frequently there will be a pronounced difference in the returns of growth and value stocks, with growth stocks providing better returns during this particular 12-month period. The pattern is for different types of stocks to perform differently at various points in time. This is why style diversification—rather than investing in a single fund that focuses on just one type of stock—can be a key component of a long-term investment strategy.

Bonds tend to be less volatile than equities, which can help to ease the volatility of an overall portfolio. It is true that bond prices can be negatively affected by rising interest rates, but much of this difficulty occurs during the transition to higher rates. As interest rates stabilize, higher rates may translate into more attractive income earned by bond investments. During the transitional period, careful bond portfolio management may help to ease the challenges of a rising rate environment.

Table 1: Financial Highlights

NET ASSETS

(dollar values expressed in thousands)

Fiscal Year Ended June 30,	2008	2007	Variance Amount	Variance Percent
Cash and Investments at Fair Value	\$ 903,299	952,565	(49,266)	(5.2%)
Receivables	2,033	1,778	255	14.3%
TOTAL ASSETS	905,332	954,343	(49,011)	(5.1%)
TOTAL LIABILITIES	1,435	1,121	314	28.0%
TOTAL PLAN NET ASSETS	\$ 903,897	953,222	(49,325)	(5.2%)

CHANGES IN NET ASSETS

(dollar values expressed in thousands)

Fiscal Year Ended June 30,	2008	2007	Variance Amount	Variance Percent
<u>Additions</u>				
Direct Participant Contributions	\$ 284,865	268,367	16,498	6%
<u>Net Increase(Decrease) in Fair Value of Investments and Net Investment Income</u>				
Net Increase(Decrease) in Fair Value of Investments	(110,408)	98,158	(208,566)	(212%)
Net Investment Income Received from Underlying Funds	72,118	29,866	42,252	141%
Interest	49	267	(218)	(82%)
Less: Expenses	(8,070)	(7,890)	180	2%
NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS AND NET INVESTMENT INCOME	(46,311)	120,401	(166,712)	(138%)
TOTAL ADDITIONS	238,554	388,768	(150,214)	(39%)
<u>Deductions</u>				
Direct Withdrawals	(286,475)	(253,649)	(32,826)	13%
Distributions to shareholders	(1,404)	(1,037)	(367)	35%
TOTAL DEDUCTIONS	(287,879)	(254,686)	(33,193)	13%
INCREASE(DECREASE) IN PLAN NET ASSETS	(49,325)	134,082	(183,407)	(137%)

Table 2: tomorrow's scholar Performance Summary

Average Annual Total Returns Net of Expenses as of 6-30-08 (%)

Portfolios	1 Year	3 Year	5 Year	Life of Portfolio	Inception Date	Gross Expense Ratio ¹
Tomorrow's Scholar Aggressive Growth (A)	(13.70)	4.42	7.32	2.17	09/09/2005	1.46
Tomorrow's Scholar Aggressive Growth (B)	(11.08)	5.17	7.68	2.37	05/15/2001	2.16
Tomorrow's Scholar Aggressive Growth (C)	(10.18)	5.72	7.78	2.33	05/15/2001	2.21
Tomorrow's Scholar Growth (A)	(11.62)	3.92	6.54	2.65	09/09/2005	1.37
Tomorrow's Scholar Growth (B)	(8.85)	4.64	6.90	2.87	05/15/2001	2.07
Tomorrow's Scholar Growth (C)	(7.89)	5.18	6.99	2.79	05/15/2001	2.12
Tomorrow's Scholar Moderate Growth (A)	(9.74)	3.15	5.41	2.75	09/09/2005	1.33
Tomorrow's Scholar Moderate Growth (B)	(6.88)	3.88	5.73	2.94	05/15/2001	2.03
Tomorrow's Scholar Moderate Growth (C)	(5.89)	4.42	5.85	2.89	05/15/2001	2.08
Tomorrow's Scholar Balanced (A)	(8.36)	2.54	4.50	2.48	09/09/2005	1.28
Tomorrow's Scholar Balanced (B)	(5.51)	3.21	4.85	2.69	05/15/2001	1.98
Tomorrow's Scholar Balanced (C)	(4.60)	3.82	4.96	2.64	05/15/2001	2.03
Tomorrow's Scholar Conservative (A)	(4.79)	2.82	4.34	3.26	09/09/2005	1.20
Tomorrow's Scholar Conservative (B)	(3.02)	3.05	4.41	3.26	05/15/2001	1.90
Tomorrow's Scholar Conservative (C)	(2.11)	3.63	4.51	3.20	05/15/2001	1.95
Tomorrow's Scholar Income (A)	(2.72)	2.31	3.50	3.19	09/09/2005	1.12
Tomorrow's Scholar Income (B)	(0.87)	2.54	3.56	3.22	05/15/2001	1.82
Tomorrow's Scholar Income (C)	0.05	3.09	3.67	3.16	05/15/2001	1.87
Tomorrow's Scholar Ultra-Conservative (A) ²	1.63	-	-	2.77	09/09/2005	0.71
Tomorrow's Scholar Ultra-Conservative (B) ²	0.94	-	-	2.10	09/09/2005	1.41
Tomorrow's Scholar Ultra-Conservative (C) ²	1.89	-	-	2.74	09/09/2005	1.47

Figures quoted represent past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Current month-end performance is available at www.tomorrowsscholar.com.

For Class A shares, the maximum sales charge is 5.75% for the growth and balanced portfolios, 4.50% for the bond portfolios, and 2.00% for the Ultra-Conservative Portfolio, which is effective for accounts opened after September 9, 2005. The maximum sales charge for growth, balanced, and bond portfolio accounts opened prior to September 9, 2005, is 3.50%. For Class B shares, the maximum applicable contingent deferred sales charge is 2.00% and is eliminated after year six. Class B shares closed to new accounts and to additional contributions on June 30, 2005. For Class C shares, the applicable contingent deferred sales charge is 1.00% and is eliminated after 12 months.

¹ Expenses are as reported in the current program description. As a result of changes in expense ratios of the underlying funds, actual portfolio expense ratios may be more or less than the expense ratios reported in the current program description. Includes a total trail expense of 0.25% for Class A, 0.95% for Class B, and 1.00% for Class C.

² Prior to June 15, 2007, performance is based on the portfolio's previous investment objective and investment strategies as a stable value portfolio.

tomorrow's scholar portfolios may invest in stock and bond investments. Stock investment values fluctuate in response to the activities of individual companies and general market and economic conditions. Bond investment values fluctuate in response to the financial condition of individual issuers, general market and economic conditions, and changes in interest rates. In general, when interest rates rise, bond investment values fall and investors may lose principal value. Consult a program description for additional information on these and other risks.

An investment in the Ultra-Conservative Portfolios is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Ultra-Conservative Portfolios seek to preserve the value of your investment at \$10.00 per share, it is possible to lose money by investing in the Portfolios.

An investor's or a designated beneficiary's home state may offer state tax or other benefits that are only available for investments in that state's qualified tuition program. Please consider this before investing.

*Carefully consider the investment objectives, risks, charges, and expenses of **tomorrow's scholar** before investing. For a current program description, containing this and other information, call 1-866-529-5294. Read it carefully before investing.*

tomorrow's scholar is state-sponsored 529 college savings plan administered by the Wisconsin Office of the State Treasurer. Wells Fargo Funds Management, LLC, a wholly owned subsidiary of Wells Fargo & Company, provides investment management and administrative services to the *tomorrow's scholar* plan. Shares in the programs are distributed by **Wells Fargo Funds Distributor, LLC**, Member FINRA/SIPC, an affiliate of Wells Fargo & Company. 112415 09-08

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KPMG LLP
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Philadelphia, PA 19103-2499

Report of Independent Registered Public Accounting Firm

The Members

The Wisconsin College Savings Program Board (the "Program"):

We have audited the accompanying statement of fiduciary net assets of the Tomorrow's Scholar College Savings Plan as of June 30, 2008, and the related statement of changes in fiduciary net assets for the year then ended. These financial statements are the responsibility of the Program's (Treasurer of the State of Wisconsin) management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects the net assets of Tomorrow's Scholar Savings Plan as of June 30, 2008, and the changes in the net assets for the year then ended in conformity with generally accepted accounting principles.

The management's discussion and analysis on pages 1 through 5 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. The supplementary information in the Combining Schedule of Fiduciary Net Assets,



Combining Schedule of Changes in Fiduciary Net Assets and the Schedule of Financial Highlights presented on pages 16 through 19 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

October 7, 2008

TOMORROW'S SCHOLAR COLLEGE SAVINGS PLAN

Combined Statements of Fiduciary Net Assets

June 30, 2008

Assets

Current Assets:

Investments, at fair value	\$	902,164,552
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Cash		1,134,357
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Receivables and other assets:

Receivable for capital shares		330,134
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Receivable for investments sold		65,642
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Receivable for dividends and interest		1,636,913
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Total assets		<u>905,331,598</u>
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Liabilities

Current Liabilities:

Payables and other liabilities:

Payable for capital shares		654,816
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Payable for investments purchased		63,608
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Payable to investment advisor and affiliates (Note 3)		485,104
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Payable to Trustees and shareholder servicing agent		231,410
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Total liabilities		<u>1,434,938</u>
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Net assets	\$	<u><u>903,896,660</u></u>
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See accompanying notes to financial statements.

TOMORROW'S SCHOLAR COLLEGE SAVINGS PLAN

Combined Statement of Changes in Fiduciary Net Assets

June 30, 2008

Additions	
Subscriptions*	\$ 284,865,361
Net Increase(Decrease) in Fair Value of Investments and Net Investment Income	
Net Increase(Decrease) in Fair Value of Investments	(110,408,391)
Net Investment Income Received from Underlying Funds	72,117,417
Interest	49,355
Less: Expenses	(8,070,048)
Net Decrease in Fair Value of Investments and Net Investment Income	<u>(46,311,667)</u>
Total Additions	238,553,694
Deductions	
Redemptions*	(286,475,493)
Distributions to shareholders	(1,403,700)
Total Deductions	<u>(287,879,193)</u>
Changes in Net Assets Held in Trust for Individuals	(49,325,499)
Net Assets at Beginning of Year	<u>953,222,159</u>
Net Assets at End of Year	<u><u>\$ 903,896,660</u></u>

*Includes Direct Contributions and Withdrawals only.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS
June 30, 2008

1. Organization and Fund Objectives

(a) Organization

The *tomorrow's scholar*[®] College Savings Program ("Program") was established as a savings vehicle for higher education expenses under Section 529 of the U.S. Internal Revenue Code of 1986, as amended. The Program is administered by the Office of the State Treasurer on behalf of the State of Wisconsin. Oversight of the Program and its assets is provided by the Wisconsin College Savings Program Board ("Board"). The Board is also responsible for determining the asset allocation strategy as well as the underlying mutual investments used in the Portfolios (the "Investment Policy"). The Program is comprised of seven different investment portfolios ("Portfolios") that offer different asset allocation mixes to provide for investors that have different needs, time frames, and risk tolerances. The Portfolios include *tomorrow's scholar* Aggressive Growth Portfolio, *tomorrow's scholar* Balanced Portfolio, *tomorrow's scholar* Conservative Portfolio, *tomorrow's scholar* Growth Portfolio, *tomorrow's scholar* Income Portfolio, *tomorrow's scholar* Moderate Growth Portfolio and *tomorrow's scholar* Ultra-Conservative Portfolio (formerly *tomorrow's scholar* Stable Value Portfolio). Each Portfolio is comprised of three classes: Class A shares, Class B shares, and Class C shares. Effective March 14, 2005, Class B shares were closed to new accounts. Effective July 1, 2005, Class B shares were no longer available for subsequent contributions. All classes of shares have identical rights to earnings and assets, except for class specific expenses. Effective September 9, 2005, *tomorrow's scholar* Stable Value Portfolio commenced operations. Effective June 15, 2007, *tomorrow's scholar* Stable Value Portfolio became *tomorrow's scholar* Ultra-Conservative Portfolio.

Each Portfolio invests substantially all its assets in a combination of the following underlying funds: Columbia Marsico Growth Fund – Class Z, ING Intermediate Bond Fund - Institutional Class, Harbor International Fund – Investor Class, RiverSource Diversified Equity Income Fund – Class R4, RiverSource U.S. Government Mortgage Fund – Class R4, Wells Fargo Advantage Capital Growth Fund – Institutional Class, Wells Fargo Advantage Corporate Bond Fund - Institutional Class, Wells Fargo Advantage Diversified Small Cap Fund – Administrator Class, Wells Fargo Advantage Growth Fund - Institutional Class, Wells Fargo Advantage Heritage Money Market Fund – Institutional Class, Wells Fargo Advantage Mid Cap Disciplined Fund - Institutional Class, Wells Fargo Advantage Opportunity Fund - Administrator Class, Wells Fargo Advantage Total Return Fund - Institutional Class, and Wells Fargo Advantage U.S. Value Fund - Administrator Class. In addition, the Portfolios may invest daily sweep balances in the Wells Fargo Advantage Money Market Trust Fund. These underlying funds are diversified management investment companies registered under the Investment Company Act of 1940, as amended.

(b) Fund Objectives

The investment objectives of investments held by the Portfolios as of June 30, 2008, are as follows:

Columbia Marsico Growth – Class Z's investment objective is to seek long-term growth of capital.

ING Intermediate Bond Fund - Institutional Class' investment objective seeks to provide investors with a high level of current income, consistent with the preservation of capital and liquidity.

Harbor International Fund – Investor Class' investment objective is to seek long-term total return, principally from growth of capital.

RiverSource Diversified Equity Income Fund – Class R4's investment objective is to seek to provide shareholders with a high level of current income, and as a secondary objective, steady growth of capital.

RiverSource U.S. Government Mortgage Fund – Class R4's investment objective seeks to provide shareholders with current income as its primary goal and preservation of capital as its secondary goal.

Wells Fargo Advantage Capital Growth Fund – Institutional Class' investment objective is to seek long-term capital appreciation.

Wells Fargo Advantage Corporate Bond Fund - Institutional Class' investment objective is to seek current income while maintaining prospects for capital appreciation.

Wells Fargo Advantage Diversified Small Cap Fund – Administrator Class' investment objective is to seek long-term capital appreciation.

Wells Fargo Advantage Growth Fund - Institutional Class' investment objective is to seek long-term capital appreciation.

Wells Fargo Advantage Heritage Money Market Fund – Institutional Class' investment objective is to seek current income, while preserving capital and liquidity.

Wells Fargo Advantage Mid Cap Disciplined Fund - Institutional Class' investment objective is to seek long-term capital appreciation.

Wells Fargo Advantage Opportunity Fund - Administrator Class' investment objective is to seek long-term capital appreciation.

Wells Fargo Advantage Total Return Bond Fund - Institutional Class' investment objective is to seek total return consisting of income and capital appreciation.

Wells Fargo Advantage U.S. Value Fund - Administrator Class' investment objective is to seek total return with an emphasis on long-term capital appreciation.

2. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Portfolios in the preparation of their financial statements.

(a) Basis of Presentation

As a fiduciary fund, the Program's financial statements are presented on the flow of economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America, as defined by the Governmental Accounting Standards Board ("GASB"). Under this method of accounting, revenues are recorded when earned and expenses are recorded when a liability incurred, regardless of the timing of related cash flows. The Program is a private-purpose trust fund, which is a type of fiduciary fund. A private-purpose trust fund is a fiduciary fund used to report all trust arrangements, other than pension (and other employee benefit) trust funds and investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. Revenues are mainly derived from investment income.

As permitted by GASB, Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Program has elected not to adopt Financial Accounting Standards Board ("FASB") statements and interpretations issued after November 30, 1989, unless GASB specifically adopts such FASB statements or interpretations.

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect report amounts and disclosures. Actual results differ from those estimates.

(b) Security Valuation

Investments in the underlying funds are valued each business day at fair value using the closing net asset value per share of each underlying fund, which is determined at the close of the New York Stock Exchange on the day of valuation.

(c) Realized Gains and Losses on Investment Transactions

Investment security transactions are recorded as of the trade date. Gains or losses realized on investment transactions are determined by comparing the identified cost of the security lot sold with the net sales proceeds.

(d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in these financial statements. Actual results could differ from those estimates.

(e) Guarantees and Indemnifications

In the normal course of business, the Portfolios enter into contracts with service providers that contain general indemnification clauses. The Portfolio's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Portfolios that have not yet occurred. However, based on experience, the Portfolios expect the risk of loss to be remote.

(f) Other

Income and capital gain distributions from the underlying funds are recorded on the ex-dividend date. Distributions received from the underlying funds retain their tax characterization determined at the underlying fund level. Income, expenses (other than expenses attributable to a specific class), and realized and unrealized gains or losses on investments are allocated to each class of shares based on its relative net assets. There are no distributions of net realized gains or net investment income to the Portfolios' participants or beneficiaries.

(g) Redemptions and Distributions

Deductions from Net Assets consist of Redemptions and Distributions to Shareholders. Redemptions are direct withdrawals, resulting from the sale of Portfolio shares. These withdrawals may be deposited in another 529 plan, be used to pay for qualified higher-education expenses, or be used for non-qualified expenses. Distributions to Shareholders include dividend payments on the *tomorrow's scholar* Ultra-Conservative Portfolio. All dividend payments are automatically reinvested, resulting in the purchase of additional shares of the Portfolio.

3. Related Party Information and Fees

Funds Management provides investment management, marketing, administration, recordkeeping, and transfer agency services for the Program. Each account is charged an annualized fee, based on the fair market value of the assets in the account, consisting of an administration fee payable to the Board, an administration and management fee payable to Wells Fargo, and the actual underlying fund expenses. The following table outlines administration fees during the period:

	Administration Fee
<i>Payable to the Board</i>	
<i>tomorrow's scholar Ultra-Conservative Portfolio</i>	0.05%
<i>All other Portfolios</i>	0.10%
<i>Payable to Funds Management</i>	0.20%

There is an annual account maintenance fee, currently charged in September of each year, payable to Wells Fargo. The fee charged is \$20 per account, subject to certain waivers. The maintenance fee is an expense of the shareholder, charged to individual accounts not the Portfolios, and is not reflected in the financial statements. Funds Management and the Board may waive or absorb certain expenses as mutually agreed upon.

The Portfolios' Class A, B and C shares have various sales and redemption fees charged to shareholders. Wells Fargo Funds Distributor, LLC (the "Distributor"), an affiliate of Funds Management, acts as the distributor of the Portfolios' shares. For accounts opened prior to September 10, 2005, Class A shares have an annual distribution and service charge of 0.25% of the

NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2008

class' average daily net assets and a maximum front-end sales charge of 3.50%. Class B shares have a maximum 2.50% contingent deferred sales and an annual distribution and service fee of 0.95% of the class' average daily net assets. Class C shares have a 1.00% contingent deferred sales charge for shares held less than one year and an annual distribution and service fee of 1.00% of the class' average daily net assets. For accounts opened in Class A shares on or after September 10, 2005, the following front-end sales charges apply (contingent deferred sales and an annual distribution and service fees are unchanged):

	Growth and Balanced Portfolios ¹	Fixed Income Portfolios ²	Ultra-Conservative Portfolio ³
<i>Breakpoints</i>	<i>Up-Front Sales Charge as % of Purchase Amount</i>	<i>Up-Front Sales Charge as % of Purchase Amount</i>	<i>Up-Front Sales Charge as % of Purchase Amount</i>
<i>First \$50,000</i>	<i>5.75%</i>	<i>4.50%</i>	<i>2.00%</i>
<i>Next \$50,000</i>	<i>4.50%</i>	<i>4.00%</i>	<i>1.50%</i>
<i>Next \$150,000</i>	<i>3.50%</i>	<i>3.50%</i>	<i>1.00%</i>
<i>Next \$250,000</i>	<i>2.50%</i>	<i>2.50%</i>	<i>0.75%</i>
<i>Next \$500,000</i>	<i>2.00%</i>	<i>2.00%</i>	<i>0.50%</i>
<i>Over \$1,000,000</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>

¹ Growth and Balanced Portfolios include the Aggressive Growth (90% equity), Growth (75% equity), Moderate Growth (60% equity), and Balanced (50% equity) Portfolios.

² Fixed Income Portfolios include the Conservative (35% equity) and Income (20% equity) Portfolios.

³ Stable Value Portfolio renamed Ultra-Conservative Portfolio on June 15, 2007.

4. Investments

Investments on the statement of fiduciary net assets include the following underlying funds:

TOMORROW'S SCHOLAR COLLEGE SAVINGS PLAN

Investments in investment companies:

Fixed income funds:

ING Intermediate Bond Fund - Institutional Class	\$	124,399,156
RiverSource U.S. Government Mortgage Fund - Class R4		41,908,076
Wells Fargo Advantage Corporate Bond Fund - Institutional Class		22,356,288
Wells Fargo Advantage Total Return Bond Fund - Institutional Class		120,785,122
		<hr/>
		309,448,642

Equity funds:

Columbia Marsico Growth Fund - Class Z		54,616,736
Harbor International Fund - Investor Class		81,057,706
RiverSource Diversified Equity Income Fund - Class R4		60,558,357
Wells Fargo Advantage Capital Growth Fund - Institutional Class		62,778,139
Wells Fargo Advantage Diversified Small Cap Fund - Administrator Class		51,743,350
Wells Fargo Advantage Growth Fund - Institutional Class		65,871,335
Wells Fargo Advantage Mid Cap Disciplined Fund - Institutional Class		54,319,084
Wells Fargo Advantage Opportunity Fund - Administrator Class		55,533,305
Wells Fargo Advantage U.S. Value Fund - Administrator Class		62,960,891
		<hr/>
		549,438,903

Money market trusts:

Wells Fargo Advantage Money Market Trust		63,608
Wells Fargo Advantage Heritage Money Market Fund - Institutional Class		43,213,399
		<hr/>
		43,277,007

Total investments, at fair value	\$	<u><u>902,164,552</u></u>
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5. Federal Income Taxes and Distributions to Participants

The Program was established under Section 529 of the Internal Revenue Code, which provides that all Portfolios within the Program shall be exempt from income taxes. Therefore, no federal income tax provision is recorded. Participants in the Plan are responsible to determine the taxability of withdrawals they receive from the Plan based on the use of the distributions. There are no distributions of net realized gains or net investment income to the Portfolios' participants or beneficiaries, other than for *tomorrow's scholar* Ultra-Conservative Portfolio. The *tomorrow's scholar* Ultra-Conservative Portfolio generally pays dividends from net investment income monthly. Dividends are declared on each day that the net asset value is calculated, except for bank holidays.

6. Investment Risks

Investments of the Portfolios are subject to a variety of investment risks that vary based on the investment risks of the Underlying Funds.

Custodial Credit Risk is the risk that in the event of a failure, the Program's deposits and investments may not be returned.

Investment securities that are uninsured, are not registered in the name of the Program, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name.

Because all of the Program's investments are in mutual funds, this is not a risk for the Plans.

Credit Risk is the risk that an issuer to an investment will not fulfill its obligations. The Program invests directly in pooled vehicles of various investment companies and the respective Fund's prospectus provides greater detail about the investment strategies and practices of the Fund, in compliance with federal regulations and specifically, the Form N-1A of the Investment Company Act of 1940, which focuses on disclosure to the investing public of information and Policies about the Fund and its investment objectives, as well as on investment company structure and operations.

As of June 30, 2008, credit ratings for the underlying Fixed Income funds are as follows:

	Credit Ratings
ING Intermediate Bond Fund-Institutional Class	AA
RiverSource U.S. Government Mortgage Fund-Class R4	Govt
Wells Fargo Advantage Corporate Bond Fund-Institutional Class	A3
Wells Fargo Advantage Total Return Bond Fund-Institutional Class	Aa1

Concentration Risk is the risk related to the amount of investments in any one entity. The Program limits its risk by investing in diversified investment companies, none of which have any investments in excess of 5% of net assets.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Program invests in pooled vehicles whose holdings are subject to interest rate changes. The interest rate sensitivity of the debt instruments was not available. However, the respective Fund's prospectus provides greater detail about the investment policies and practices of the Fund, in compliance with federal regulations and specifically, the Form N-1A of the Investment Company Act of 1940, which focuses on disclosure to the investing public of information about the Fund and its investment objectives, as well as on investment company structure and operations.

As of June 30, 2008, average effective duration for the underlying Fixed Income funds are as follows:

	Average Effective Duration
ING Intermediate Bond Fund-Institutional Class	4.80 years
RiverSource U.S. Government Mortgage Fund-Class R4	4.00 years
Wells Fargo Advantage Corporate Bond Fund-Institutional Class	5.90 years*
Wells Fargo Advantage Total Return Bond Fund-Institutional Class	4.68 years

*Effective duration.

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment in a foreign financial institution. The Program's investments are not subject to Foreign Currency Risk as no underlying funds invest in foreign securities.

7. Legal and Regulatory Matters

Prior to January 1, 2005, Strong Capital Management, Inc. was program manager to the Plans. In 2004, the predecessor Strong Funds' investment adviser and affiliates (collectively, "Strong") entered into agreements with certain regulators, including the Securities and Exchange Commission and the New York Attorney General ("NYAG"), to settle market-timing investigations. In the settlements, Strong agreed to pay investor restoration and civil penalties. Although some portion of these payments is likely to be distributed to predecessor Strong Fund shareholders, no determination has yet been made as to the distribution of these amounts, and the successor funds are not expected to receive any portion of these payments. The NYAG settlement also imposed fee reductions across the predecessor fund complex (excluding money market funds and very short-term income funds) totaling at least \$35 million by May 2009. The current Funds' adviser has agreed to honor

NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2008

these fee reductions for the benefit of shareholders across the successor funds. Although civil litigation against Strong and certain predecessor Strong Funds relating to these matters is continuing, neither the current adviser nor the successor funds is a party to any such suit.

TOMORROW'S SCHOLAR COLLEGE SAVINGS PLAN PORTFOLIOS

Combining Statements of Fiduciary Net Assets

June 30, 2008

	tomorrow's scholar Aggressive Growth Portfolio	tomorrow's scholar Balanced Portfolio	tomorrow's scholar Conservative Portfolio	tomorrow's scholar Growth Portfolio	tomorrow's scholar Income Portfolio	tomorrow's scholar Moderate Growth Portfolio	tomorrow's scholar Ultra- Conservative Portfolio	Total
Assets								
Current Assets:								
Investments, at value	\$ 223,236,686	174,182,076	72,741,719	205,545,370	46,593,834	136,651,468	43,213,399	902,164,552
Cash	200,000	170,012	140,519	184,213	150,000	150,000	139,613	1,134,357
Receivables and other assets:								
Receivable for capital shares	91,588	73,130	12,370	62,055	9,415	39,065	42,511	330,134
Receivable for investments sold	0	29,988	9,481	15,787	0	0	10,386	65,642
Receivable for dividends and interest	194,664	414,389	210,068	296,564	161,060	272,807	87,361	1,636,913
Total assets	223,722,938	174,869,595	73,114,157	206,103,989	46,914,309	137,113,340	43,493,270	905,331,598
Liabilities								
Current Liabilities:								
Payables and other liabilities:								
Payable for capital shares	30,677	317,735	34,437	80,614	94,215	60,912	36,226	654,816
Payable for investments purchased	35,491	0	0	0	9,587	18,530	0	63,608
Payable to investment advisor and affiliates (Note 3)	113,632	100,040	43,685	109,159	29,103	99,773	12,576	485,104
Payable to the Trustees and shareholder servicing agent	52,169	40,097	16,544	48,094	10,662	31,263	9,717	231,410
Total liabilities	231,969	457,872	94,666	237,867	143,567	210,478	58,519	1,434,938
Net assets	\$ 223,490,969	174,411,723	73,019,491	205,866,122	46,770,742	136,902,862	43,434,751	903,896,660

TOMORROW'S SCHOLAR COLLEGE SAVINGS PLAN PORTFOLIOS

Combining Statement of Changes in Fiduciary Net Assets

June 30, 2008

	tomorrow's scholar Aggressive Growth Portfolio	tomorrow's scholar Balanced Portfolio	tomorrow's scholar Conservative Portfolio	tomorrow's scholar Growth Portfolio	tomorrow's scholar Income Portfolio	tomorrow's scholar Moderate Growth Portfolio	tomorrow's scholar Ultra- Conservative Portfolio	Total
Additions								
Subscriptions*	\$ 32,463,293	61,430,254	29,550,824	48,149,360	22,161,754	59,414,940	31,694,936	284,865,361
Net Increase(Decrease) in Fair Value of Investments and Net Investment Income								
Net Increase(Decrease) in Fair Value of Investments	(40,388,690)	(17,075,061)	(4,783,298)	(30,556,560)	(1,814,102)	(15,790,679)	(1)	(110,408,391)
Net Investment Income Received from Underlying Funds	20,584,425	13,060,129	4,939,158	18,058,014	3,087,363	10,576,505	1,811,823	72,117,417
Interest	11,298	7,919	6,460	7,586	4,421	7,439	4,232	49,355
Less: Expenses	(1,893,666)	(1,611,596)	(678,867)	(1,826,213)	(473,740)	(1,173,611)	(412,355)	(8,070,048)
Net Increase(Decrease) in Fair Value of Investments and Net Investment Income	(21,686,633)	(5,618,609)	(516,547)	(14,317,173)	803,942	(6,380,346)	1,403,699	(46,311,667)
Total Additions	10,776,660	55,811,645	29,034,277	33,832,187	22,965,696	53,034,594	33,098,635	238,553,694
Deductions								
Redemptions*	(57,934,966)	(57,391,842)	(28,510,133)	(52,726,978)	(20,030,723)	(49,473,592)	(20,407,259)	(286,475,493)
Distributions to shareholders	0	0	0	0	0	0	(1,403,700)	(1,403,700)
Total Deductions	(57,934,966)	(57,391,842)	(28,510,133)	(52,726,978)	(20,030,723)	(49,473,592)	(21,810,959)	(287,879,193)
Changes in Net Assets Held in Trust for Individuals	(47,158,306)	(1,580,197)	524,144	(18,894,791)	2,934,973	3,561,002	11,287,676	(49,325,499)
Net Assets at Beginning of Year	270,649,275	175,991,920	72,495,347	224,760,913	43,835,769	133,341,860	32,147,075	953,222,179
Net Assets at End of Year	\$ 223,490,969	174,411,723	73,019,491	205,866,122	46,770,742	136,902,862	43,434,751	903,896,660

*Includes Direct Contributions and Withdrawals only.

TOMORROW'S SCHOLAR COLLEGE SAVINGS PLAN

Supplemental Information

Financial Highlights

For the Year Ended June 30, 2008

	Tomorrow's Scholar Aggressive Growth Portfolio			Tomorrow's Scholar Balanced Portfolio			Tomorrow's Scholar Conservative Portfolio			Tomorrow's Scholar Growth Portfolio		
Selected Per-Share Data (a)	Class A	Class B	Class C	Class A	Class B	Class C	Class A	Class B	Class C	Class A	Class B	Class C
Net Asset Value, Beginning of Period	\$13.51	\$13.00	\$12.97	\$13.00	\$12.52	\$12.49	\$13.21	\$12.70	\$12.66	\$13.64	\$13.13	\$13.07
Income From Investment Operations:												
Net Investment Income	1.08	1.10	0.91	0.78	0.82	0.75	0.71	0.77	0.70	1.02	1.01	0.89
Net Realized and Unrealized Gains (Losses) on Investments	(2.22)	(2.28)	(2.10)	(1.15)	(1.26)	(1.20)	(0.75)	(0.90)	(0.84)	(1.87)	(1.91)	(1.79)
Total from Investment Operations	(1.14)	(1.18)	(1.19)	(0.37)	(0.44)	(0.45)	(0.04)	(0.13)	(0.14)	(0.85)	(0.90)	(0.90)
Net Asset Value, End of Period	\$12.37	\$11.82	\$11.78	\$12.63	\$12.08	\$12.04	\$13.17	\$12.57	\$12.52	\$12.79	\$12.23	\$12.17
Ratios and Supplemental Data												
Total Return	(8.44%)	(9.08%)	(9.18%)	(2.85%)	(3.51%)	(3.60%)	(0.30%)	(1.02%)	(1.11%)	(6.23%)	(6.85%)	(6.89%)
Net Assets, End of Period (000s omitted)	\$146,568	\$55,711	\$21,212	\$93,379	\$53,772	\$27,261	\$35,694	\$23,735	\$13,590	\$127,036	\$55,048	\$23,782
Ratio of Expenses to Average Net Assets without Waivers and Absorptions	0.56%	1.26%	1.31%	0.56%	1.26%	1.31%	0.56%	1.26%	1.31%	0.56%	1.26%	1.31%
Ratio of Expenses to Average Net Assets	0.56%	1.26%	1.31%	0.56%	1.26%	1.31%	0.56%	1.26%	1.31%	0.56%	1.26%	1.31%
Ratio of Net Investment Income to Average Net Assets	8.26%	7.55%	7.52%	6.69%	6.01%	5.89%	6.20%	5.52%	5.38%	7.70%	7.01%	6.94%

(a) Information presented relates to a share of capital stock of the Portfolio outstanding for the entire period.

TOMORROW'S SCHOLAR COLLEGE SAVINGS PLAN

Supplemental Information

Financial Highlights

For the Year Ended June 30, 2008

	Tomorrow's Scholar Income Portfolio			Tomorrow's Scholar Moderate Growth Portfolio			Tomorrow's Scholar Ultra-Conservative Portfolio		
Selected Per-Share Data (a)	Class A	Class B	Class C	Class A	Class B	Class C	Class A	Class B	Class C
Net Asset Value, Beginning of Period	\$12.87	\$12.39	\$12.35	\$13.45	\$12.92	\$12.88	\$10.00	\$10.00	\$10.00
Income From Investment Operations:									
Net Investment Income	0.55	0.57	0.90	0.81	0.84	0.71	0.36	0.29	0.29
Net Realized and Unrealized Gains (Losses) on Investments	(0.31)	(0.43)	(0.77)	(1.38)	(1.47)	(1.34)	0.00	0.00	0.00
Total from Investment Operations	0.24	0.14	0.13	(0.57)	(0.63)	(0.63)	0.36	0.29	0.29
Less Distributions:									
From Net Investment Income	0.00	0.00	0.00	0.00	0.00	0.00	(0.36)	(0.29)	(0.29)
From Net Realized Gains	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Distributions	0.00	0.00	0.00	0.00	0.00	0.00	(0.36)	(0.29)	(0.29)
Net Asset Value, End of Period	\$13.11	\$12.53	\$12.48	\$12.88	\$12.29	\$12.25	\$10.00	\$10.00	\$10.00
Ratios and Supplemental Data									
Total Return	1.86%	1.13%	1.05%	(4.24%)	(4.88%)	(4.89%)	3.66%	2.94%	2.89%
Net Assets, End of Period (000s omitted)	\$20,888	\$14,246	\$11,637	\$81,447	\$39,802	\$15,654	\$17,936	\$12,023	\$13,475
Ratio of Expenses to Average Net Assets without Waivers and Absorptions	0.56%	1.26%	1.31%	0.56%	1.26%	1.31%	0.51%	1.21%	1.26%
Ratio of Expenses to Average Net Assets	0.56%	1.26%	1.31%	0.56%	1.26%	1.31%	0.51%	1.21%	1.26%
Ratio of Net Investment Income to Average Net Assets	5.73%	5.03%	4.96%	7.11%	6.43%	6.30%	3.60%	2.91%	2.88%

(a) Information presented relates to a share of capital stock of the Portfolio outstanding for the entire period.